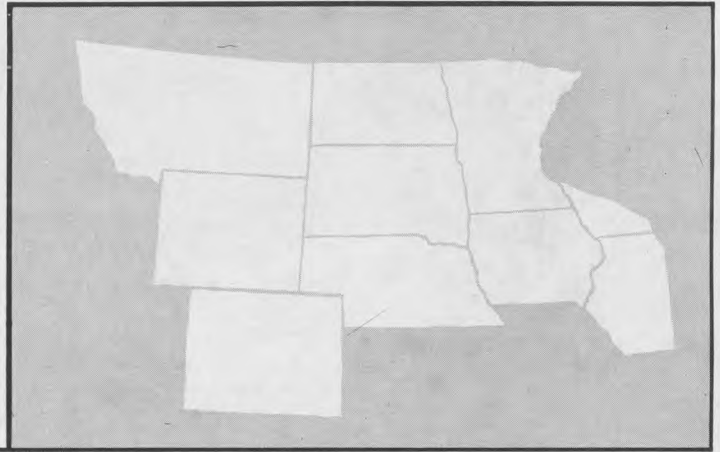


NORTHWESTERN Banker

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The Central and Western States



No. 1138

Des Moines, Iowa

January 6, 1969

Predicts Higher Bond Prices in 1969

"The odds are in favor of improved prices and lower interest rates for the bond market in 1969."

This is the prediction made by Frank C. Carr, president of John Nuveen & Company, Inc., nationally-known investment firm. Mr. Carr explains:

"The presently depressed market for fixed-income securities, government's, corporate's and tax-exempts, is largely the result of (1) actions by the Federal Reserve to restrict funds in the hands of banks for lending (to combat inflation), (2) a heavy calendar of new offerings (particularly with respect to tax-exempt bonds where a number of large issues of industrial aid securities are being rushed to market to beat the year-end deadline on the issuance of this type of securities), (3) substantial tax selling by investors (for the purpose of establishing losses in 1968 to use in offsetting capital gains), (4) borrowing by the government.

"January redemptions of outstanding bonds are usually the heaviest of the year. So such

proceeds from many issues are likely to find their way back into fixed-income securities in early 1969. While the January calendar of new issues would ordinarily be heavy, current high interest rates could result in the postponement of many corporate bond issues. Without a large total of industrial aid tax-exempt issues, the supply of new state and municipal issues is likely to be less than it has been recently. Aside from the rollover of maturing obligations, the treasury reports its borrowing for the current fiscal year is completed. While bank funds available for investment in early 1969 will probably remain restricted, a combination of heavy runoff of outstanding bonds, a lightened calendar of new issues and a cessation of Federal borrowing could very well result in improved prices and lower interest rates for bonds.

"The financial team being organized by President-elect Nixon reportedly will have the stemming of inflation as its primary goal. It seems reasonable that the new Administra-

tion can and will restrain the rate of inflation in 1969. Under these circumstances with the aforementioned favorable technical factors, investors and investment institutions will be tempted to take advantage of the generous interest yields on bonds. This could result in increased popularity for fixed-income securities and a rush to take advantage of currently high interest rates."

7th Fed Promotions

The Federal Reserve Bank of Chicago has appointed four senior vice presidents.

They are Ernest T. Baughman, Laurence H. Jones, Harry S. Schultz, and Russel A. Swaney.

The appointments, which became effective January 1, were announced by Franklin J. Lundling, chairman of the board.

Mr. Baughman is the bank's director of research, and Mr. Swaney is in charge of its Detroit branch. Mr. Jones heads the Building and General Services Department, and Mr. Schultz heads Collections.

All four are being promoted

(Continued on Page 4)

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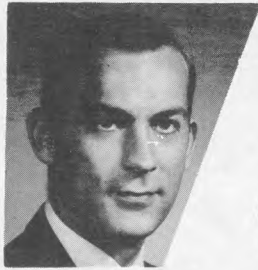
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IOWA NEWS

BETTENDORF: Approval has been granted by the Iowa department of banking to Bettendorf Bank & Trust Company to establish a parking lot office at 2700 Eighteenth Street. This is a new area, now under construction, that will have a shopping center, business offices and residences.

DAVENPORT: First Trust & Savings Bank has received permission from the Iowa department of banking to open a parking lot office at 37th and Division Street.

DUBUQUE: The new Key City Bank and Trust Company, subsidiary of the Iowa National Investment Company, recently opened for business here in its new \$370,000 building. A public open house is scheduled for January 10-11.

FORT DODGE: James A. Anderson, executive director of Lutheran Hospital here since 1955, has been elected to the board of directors of the First National Bank.

HARLAN: Robert Ross, vice president of the Harlan National Bank, has been elected the new president of the Harlan Chamber of Commerce.

INDIANOLA: Gene Gadelmann has resigned as vice president of the Warren County Bank and Trust Company to join the Cozad Insurance Agency. He had been employed at the bank for over seven years.

KEOKUK: Groundbreaking ceremonies were held recently for the new drive-in facility of the State Central Savings Bank, to be located at the southeast corner of the Keo-sippi Shopping Plaza. The building is expected to be completed by late March, 1969.

MARION: Open house will be held in the new banking center of the First National Bank on Wednesday, January 22.

MARION: Elwin K. Sievers, vice president of the Farmers State Bank of Marion, has been released

from a Cedar Rapids hospital after being struck by an airplane propeller Christmas Day. He is reported doing very well.

NEWTON: Emerson G. Higdon, president and treasurer of the Maytag Company of Newton, has been named deputy chairman of the Federal Reserve Bank of Chicago.

WAUKON: Leo Samek, assistant cashier at the Waukon State Bank, was honored recently at a retirement dinner given by the bank. Mr. Samek began work at the bank as a teller in 1940.

NEBRASKA NEWS

OMAHA: Dale A. Kruse, vice president at the North Side Bank, has been named to the bank's board of directors. He has been with the bank since 1948.

OMAHA: Willard D. Hosford, Jr., vice president and general manager of the John Deere Company of Omaha, has been named deputy chairman of the Federal Reserve Bank of Kansas City.

OMAHA: L. Peter Marr, Jr., second vice president, Omaha National Bank, will leave the bank in mid-January to join the new office of Foote, Cone & Belding, Inc., as vice president and manager which will open in Omaha February 1. The office will handle the Mid-America Bancard Association account. Mr. Marr will be succeeded at the bank by Larry Comine, Jr., who has been at the bank 10 years, most recently as a credit analyst.

MINNESOTA NEWS

BLUE EARTH: Phillip C. Lee has been elected assistant cashier at the Blue Earth State Bank. He has been an employee of the bank since 1965.

COLUMBIA HEIGHTS: Bankers Agency, Inc., of St. Paul has appointed Gordon E. Thompson sales manager of its mobile home sales division. He was formerly a cashier with the Columbia Heights State Bank.



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COMMERCE TRUST BANK

Kansas City, Missouri

EDINA: Application has been approved by the Minnesota Commerce Commission for a new state bank, the Southwest Fidelity Bank & Trust Co. The bank will have offices in The Pentagon Office Park on the Edina-Bloomington border. Incorporators of the bank are Dr. James Rogers Fox and George J. Pratt, Edina, and C. Herbert Cornell, Golden Valley.

ELLSWORTH: Harold A. Sands, president of the Ellsworth State Bank, has sold his interest in the bank to Paul Huisman, effective January 1. Mr. Huisman has been with the bank for 15 years and is currently serving as cashier. Mr. Sands will leave Ellsworth for Clear Lake, S. D., where he will be associated with the Deuel County National Bank.

MINNEAPOLIS: National City Bank of Minneapolis has announced the appointment of D. Stephen Farley as vice president and trust officer. Mr. Farley formerly was vice president and director of First National Bank of Neenah, Wisc.

MINNEAPOLIS: Virgil M. Dissmeyer has been promoted from controller to senior vice president at the Northwestern National Bank of Minneapolis. H. James Leskee has been named to succeed Mr. Dissmeyer as controller. Harry J. Jensen, Jr., and David W. Cost have been appointed vice presidents at the bank. Mr. Leskee, Mr. Cost and Mr. Jensen have all been serving as vice presidents at the bank.

MINNEAPOLIS: Robert F. Leach, St. Paul attorney, has been named chairman of the Federal Reserve Bank of Minneapolis. In this rotating position, he succeeds Joyce A. Swan of Minneapolis Star and Tribune Company. David M. Lilly, chairman of the board of Toro Manufacturing Company, was appointed

the unexpired term of Mr. Swan, who is resigning. Mr. Lilly also was designated deputy chairman of the bank for 1969.

OWATONNA: Larry E. Muldoon has sold his interest in the Owatonna State Bank to Frank Lewis and John Johnson. Mr. Muldoon has also resigned as executive vice president and director of the bank to accept a position as president and director of the Farmers and Merchants Bank of Marytown, Wisc. Mr. Lewis and Mr. Johnson recently purchased control of the Owatonna bank from R.H. Plunkett and associates of Rochester and have assumed active management of the bank.

MONTANA NEWS

HARLOWTON: Warren B. Jones of the Baxter and Jones Livestock Company here has been appointed to the board of directors of the Helena branch of the Federal Reserve Bank of Minneapolis.

Top Bond Underwriter

WASHINGTON, D.C.: First National City Bank, New York, in the third quarter, again led all underwriters in the management of tax-exempt bond issues, the Investment Bankers Association of America reports.

The bank had \$340 million in management credit in the July-September period, and for the nine months ended September 30 also

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had the largest volume, \$925 million.

ILLINOIS NEWS

EVANSTON: The \$133.6 million State National Bank of Evanston has announced plans to adopt a one-bank holding company structure. The bank is believed to be the first suburban Chicago bank to announce such a plan. The holding company plan, approved by directors at a recent meeting, will be submitted to stockholders on January 27 and is also subject

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to approval of regulatory agencies.

MOUNT STERLING: The Brown County State Bank has opened its new drive-in window.

PEORIA: W. James Patton, retiring chairman of the board of directors at the Jefferson Trust and Savings Bank, was recently honored at a retirement dinner for his 38 years with the bank.

SPRINGFIELD: The Land of Lincoln Bank is currently planning a \$51,000 addition to its facilities at 1155 North 9th Street. Included in the addition to the rear of the present bank will be a new vault and additional drive-in banking facilities.

COLORADO NEWS

DENVER: Harold E. Angelo, se-

nior vice president and trust officer and head of the operations and trust departments at the Colorado National Bank, has been elected to the bank's board of directors. Mr. Angelo joined the bank as director of economic research in 1963. Prior to that time, he had been dean of men at the University of Colorado.

Fed Promotions (Continued from Page 1)

from vice president. In addition, the bank has appointed seven new vice presidents and five assistant vice presidents. The new vice presidents are George W. Cloos, Le Roy A. Davis, Edward A. Heath, Karl A. Scheld, Joseph J. Srp, Lynn A. Stiles, and Gordon W. Lamphere.

CONVENTIONS

1969

- January 29-30—Illinois Bankers Installment Lending Conference, Springfield.
- February 10-12—ABA Annual Mid-winter Trust Conference, Waldorf-Astoria, New York.
- March 6-7—ABA National Bank Marketing Conference, Marriott, Atlanta.
- March 10-12—ABA 21st National Credit Conference, Sheraton-Chicago.
- March 17-19—Independent Bankers Assn., 39th Annual Convention, Hotel Sahara, Las Vegas.
- March 27-29—ABA National Installment Credit Conference, Hilton, San Francisco.
- March 30-April 1—Assn. of Reserve City Bankers, 58th Annual Convention, Arizona Biltmore, Phoenix.
- April 14-17—National Assn. of Supervisors of State Banks, 68th Annual Convention, Chase-Park Plaza, St. Louis.
- April 15-17—Bank PRMA Regional, Hotel Savery, Des Moines.
- May 18-20—Bank Administration Institute, Northern Regional, Hotel Sheraton-Schroeder, Milwaukee.

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